

## The *Union Label* case: an early Australian IP story

Sam Ricketson

### Introduction

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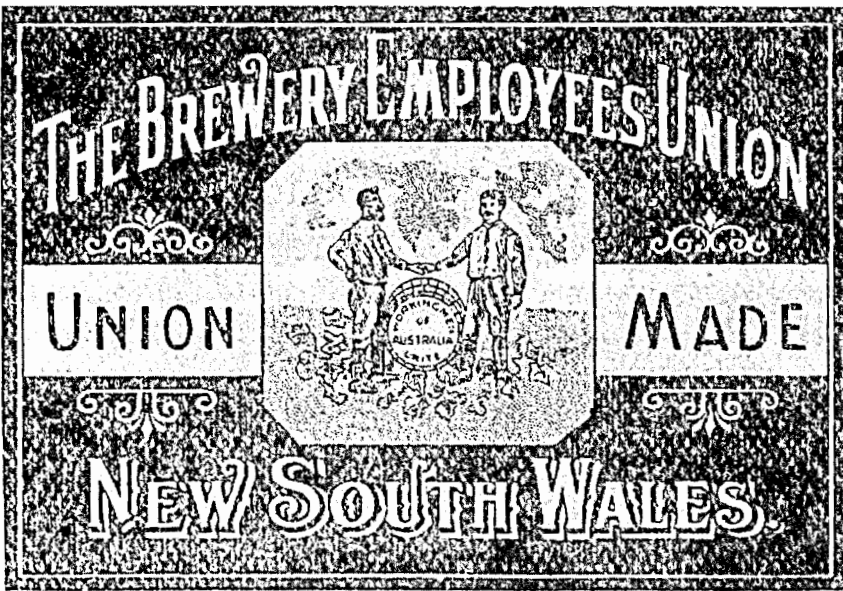
We have just recently come out of a federal election in which the terms ‘unionist’ and ‘union power’ were freely thrown around by the now defeated Coalition Government in response to the challenge of the resurgent Labor Party; ‘70 per cent of a Labor cabinet will be ex-unionists’ was one of the Coalition’s campaign themes. It is interesting, then, to find similar rhetoric, used by non-Labor politicians more than a century ago, in the most unexpected context of trade marks law.

The source of concern was to be found in provisions of Pt VII of the new trade marks bill, which sought to provide for registration of a new class of marks, to be called ‘workers’ marks’ – marks that could be registered and used to indicate that goods were made by ‘an individual Australian worker or association of Australian workers’<sup>1</sup> (i.e., a trade union). It was an offence for any person to apply the mark to goods not produced by that worker or association, although unlike trade marks in respect of goods, these marks were only to be applied by or with the authority of the employer for whom the goods were produced.<sup>2</sup> Passed after a great deal of rancorous parliamentary debate, the new provisions remained in force for less than two years before they were declared invalid by the High Court. During this time, only two workers’ marks were actually applied for and registered: one for the Tailoresses Union of New South Wales,<sup>3</sup> and the second, the subject of the

<sup>1</sup> *Trade Marks Act 1905* (Cth) s 74(1).

<sup>2</sup> *ibid.*, s 74.

<sup>3</sup> *Australian Official Journal of Trade Marks*, Vol. II, 19 July 1907, p. 708. For a representation of the mark, see p. 611.



**Figure 2.1** Registered mark of Brewery Employees' Union of New South Wales

High Court challenge, for the Brewery Employees' Union of New South Wales.<sup>4</sup> The 'story' of this case is therefore one that reverberates far beyond the narrow confines of trade mark law doctrine.

## The origins of the workers' mark provisions

The first decade of the 20th century was a busy one for the newly elected members of the Commonwealth parliament. If the preceding decade had been devoted to negotiating and devising the federal compact, the first sessions of the new federal parliament were concerned with passing the legislation necessary to give effect to this and the new federation that had come into being on 1 January 1901. Members and senators were concerned with legislating for many of the diverse subject-matter listed under s 51 of the Constitution: conciliation and arbitration, customs and defence, immigration, industry preservation, the establishment of the High Court, crimes and evidence, acts interpretation, to mention only a few. Under s 51(xviii), patents, designs and copyright were early candidates for attention, together with trade marks.

Political parties and groupings were far more fluid than today, and there was a succession of governments in the first decade. Most of these were minority administrations dependent for support from some other grouping of members. There was less 'spin' than today, as the main means of dissemination of information was through the newspapers, and the only means of relatively fast transport between the former colonies to the new, temporary federal capital in Melbourne was by train or ship. Political debate was as vigorous as now, and often highly

<sup>4</sup> *Australian Official Journal of Trade Marks*, Vol. 1, 16 November 1906, p. 207. See Figure 2.1 above.

personal. State differences were still keenly felt, which is hardly surprising, but this only serves to underline the enormity of the federal achievement. And many of the founding fathers (there were no women) now sat in the Senate or the House of Representatives: in 1904, these included Deakin, Reid, Lyne, Forrest, Quick and Inglis. Barton and O'Connor had only just departed to become justices of the High Court; Higgins and Isaacs, soon to be appointed as the fourth and fifth members respectively of that court, were active members of the lower house. Political creeds were divided between protectionists and free traders, Millsean liberals and conservatives, but Labor members had been elected from the very start, and had, in fact, formed a short-lived minority government under John Christian Watson in mid-1904.

It was the Watson Government that introduced the first Commonwealth trade marks bill although it is possible that it had been drafted by the previous Deakin Liberal Government. It appears that this bill made no specific reference to workers' marks, and was a close copy of a bill then before the UK parliament and drafted by Fletcher Moulton QC, the doyen of the English trade marks bar. In the Senate, however, George Pearce from Western Australia<sup>5</sup> queried whether it would be possible for groups of workers to register marks to indicate their connection with goods on which they had worked. He indicated that this was already the case in Western Australia. It appeared, however, that such registrations had to be done by proxy, in that the unions could not register marks in their own name, and as he later explained to the Senate:

The label must be registered in the name of some other manufacturer, who agrees to give authority to other manufacturers to use it.<sup>6</sup>

Specific provisions for workers' marks were then added to the bill by the Senate in committee, but by the time it returned to the parliament there was a new government (Reid's) and it met a more hostile reaction, with an attempt being made to remove the provisions. The language of class and the struggle between capital and labour is all too evident in the speech of one opponent (Senator Lt-Col Gould from New South Wales):

The object can only be to prevent non-unionists from earning a livelihood. It is the same old game. The intention is to put into the hands of a certain class the power to dominate everybody else. Of course, it may have the opposite effect. People may say that there is too much trade union domination, and that they will not buy goods which have a union mark upon them. But it is absolutely unfair that we should attempt to denominate goods as made by union or non-union labour.<sup>7</sup>

Senator Pearce, in more moderate but perhaps no less forceful tones, stated the object of the provisions as follows:

<sup>5</sup> A minister in later Labor governments, and then, after crossing the floor with Hughes, of successive Nationalist and UAP governments.

<sup>6</sup> Commonwealth of Australia, *Parliamentary Debates*, Senate, 30 November 1904, p. 7298 (George Pearce). Two examples of such registrations that were given by Senator Pearce were the Bootmakers Union and the Tailors' Union of Kalgoorlie.

<sup>7</sup> *Parliamentary Debates*, *ibid.*, pp. 7282-3 (Lt-Col Gould).

to provide that goods shall be manufactured under proper conditions. We take it that union conditions are proper conditions, and will guarantee to the public that goods bearing a union label have been made by persons working for fair pay and under fair conditions. Honourable senators must be aware that a union label can be of value to the union only if the public look for it, and if members of the public entering a shop say, 'We want boots with the union label'. If unions attempt to use these labels in a tyrannical fashion, the result will be that a great body of the public who are not unionists will say, 'We decline to be parties to these tyrannical measures, and will refrain from buying goods with these union labels on them.' In those circumstances, the very fact that a union label is placed on goods instead of being an inducement would be a deterrent to people to buy them, and the union registering the label would be the greatest sufferer.<sup>8</sup>

Parliament went into recess for six months after this (a reflection of the time involved for members to travel home from Melbourne), and shortly after its resumption in June 1905, the Reid Government fell and a Deakin coalition, supported by Labor, came into office. The incoming Attorney-General was Isaac Isaacs,<sup>9</sup> who took on board the ambitious legislative agenda of the new government with his usual energy and vigour. This included reintroduction of the trade marks bill, together with redrafted provisions for workers' marks, as part of the Deakin Government's amorphous 'New Protection' policy which ensured, among other things, continued support from the Labor Party.<sup>10</sup>

Passage of the bill was far from easy, with the bulk of the debates being centred on the workers' marks provisions. In fact, a review of the Commonwealth parliamentary debates for sessions in late 1905 shows that discussions of the bill in committee in both houses extended over more than 500 pages and took place on more than 10 sitting days.<sup>11</sup> Isaacs' second reading speech reads like an opening address in court where he reviews carefully all the arguments in favour of the new (and redrafted) provisions, finding support for them in English

<sup>8</sup> *ibid.*, p. 7597.

<sup>9</sup> An excellent biography of Isaacs is Z Cowen, *Isaac Isaacs*, Oxford University Press, Melbourne, 1967. For a shorter account by Cowen, see the *Australian Dictionary of Biography* (online edn), entry for 'Sir Isaac Isaacs, 1855–1948', available at <http://www.adb.online.anu.edu.au/biogs/A090439b.htm>. According to Cowen, Isaacs was instrumental in bringing down the Reid Government and obtaining Labor support for a Deakin government: 'While never a supporter of socialism, Isaacs saw the virtues of trade union organization, the justice of the demand for fair and reasonable wages and working conditions, and the need for state intervention to bring them about. He was especially aware of the threat to protectionist policies, and scathing in his attacks on Reid.'

<sup>10</sup> See generally J La Nauze, *Alfred Deakin: A Biography*, Melbourne University Press, Melbourne, 1965, pp. 412–13 and Cowen, *ibid.*, pp. 101–4.

<sup>11</sup> See Commonwealth of Australia, *Parliamentary Debates*, 27 July 1905, p. 281 (Isaac Isaacs' second reading speech); Commonwealth of Australia, *Parliamentary Debates*, 2 August 1905, pp. 501–9 (Isaac Isaacs' second reading speech cont); Commonwealth of Australia, *Parliamentary Debates*, 3 August 1905, pp. 581–610 (Isaac Isaacs' second reading speech cont); Commonwealth of Australia, *Parliamentary Debates*, 8 August 1905, pp. 669–728 (debate); Commonwealth of Australia, *Parliamentary Debates*, pp. 752–84 (debate cont); Commonwealth of Australia, *Parliamentary Debates*, 14 November 1905, pp. 5031–41 (in committee); Commonwealth of Australia, *Parliamentary Debates*, 15 November 1905, pp. 5168–219 (in committee); Commonwealth of Australia, *Parliamentary Debates*, 28 November 1905, pp. 5851–900 (in committee); Commonwealth of Australia, *Parliamentary Debates*, 30 November 1905, pp. 6072–184 (in committee); Commonwealth of Australia, *Parliamentary Debates*, 15 December 1905, pp. 6188–257 (in committee). The Senate debates are to be found in Commonwealth of Australia, *Parliamentary Debates*, Senate, 6 December 1905, pp. 6257–59, 6377–81; Commonwealth of Australia, *Parliamentary Debates*, Senate, 7 December 1905, pp. 6399–423; Commonwealth of Australia, *Parliamentary Debates*, Senate, 8 December 1905, pp. 6530–65.

and American trade marks law. In the UK, the Sheffield Cutlers' marks were cited as a precedent, while in a number of US states reference was made to specific union marks legislation (particularly in the garments industries). Isaacs argued that such a mark was consistent with the notion of a 'trade mark' as it had been developed in the common law and in statute in the mother country, and that it was therefore within the new power over trade marks contained in s 51(xviii) of the Constitution.

A trade union label is exactly analogous to every other trade mark which is placed on commodities offered for sale. If a man vends pure sugar or milk, he has a right to put a mark on his goods to indicate that fact; if goods be made by a certain process, the manufacturer has a right to inform the public of it; and if goods be made by union labour, the manufacturer also has a right to say so. Then, again, if unions be allowed to select a label that will be an indication to the world at large that the goods on which it is placed are the workmanship of members of a union, they have a right to use that label.

The debates are notable for their highly coloured and contentious language, with personal attacks particularly directed against Isaacs, while the tensions over the role of the union movement are patent. Petitions from all sides, union and employer groups alike, were tabled, but the bill was finally passed with the workers' mark provisions, together with a further, rather odd new Part that was inserted by Isaacs in the last moments of the debates. This was for a 'Commonwealth trade mark', the purpose of which was to 'certify that goods bearing the mark had been made in Australia under conditions regarded by the parliament as fair and reasonable'.<sup>12</sup> It appears that, in the heat of battle over the workers' marks provisions, little attention was paid to this new Part,<sup>13</sup> and there is only passing comment on it in the debates.

## The provisions of the new Part

There can be no doubt that the provisions of Pt VII (ss 74–77) broke into new territory so far as statutory formulations of the term 'trade mark' were concerned. Their operation, however, was quite confined.

Thus, s 75(1) provided for the registration of a 'workers' trade mark' by a 'worker or association'. The term 'worker' was undefined, and 'association' received only inclusive interpretation, embracing 'any number of associations acting together, and in such case the members of the association shall be the members of the association acting together' (s 74(3)). The right conferred by registration was carefully circumscribed, being the entitlement to institute legal proceedings to prevent and recover damages for 'any contravention of *this* Part in respect of that trade mark' (s 75(1)). More specifically, it was provided that

<sup>12</sup> Cowen, *op. cit.*, p. 102.

<sup>13</sup> *ibid.* This Part (Pt VIII) remained in the *Trade Marks Act 1905*, unchallenged, unrepealed and apparently unused until the final repeal of the 1905 Act by the *Trade Marks Act 1955*.

such marks were incapable of assignment (s 75(3)) and none of the substantive Parts of the Act applying to trade marks in general<sup>14</sup> were to apply to workers' trade marks (s 75(4)).

The prohibitions in relation to workers' trade marks were contained in s 74 as follows:

- (1) No person shall –
  - (a) falsely apply to any goods for the purpose of trade or sale; or
  - (b) knowingly sell or expose for sale, or have in his possession for sale or for any purpose of trade or manufacture, any goods to which there is falsely applied; or
  - (c) knowingly import into Australia any goods not produced in Australia, to which there is applied a mark which is a distinctive device, design, symbol, or label registered by any individual Australian worker or association of Australian workers corporate or unincorporate for the purpose of indicating that articles to which it is applied are the exclusive production of the worker or of members of the association (and which mark is hereby declared to be a workers' trade mark), or any mark substantially identical with a registered workers' trade mark, or so nearly resembling it as to be likely to deceive.
- (2) The workers' trade mark is falsely applied unless in truth –
  - (a) the goods to which it is applied are exclusively the production of the worker or of members of the association; or
  - (b) the goods to which it is applied are in part but not exclusively the production of the worker or of members of the association, and the mark is applied in such a manner as clearly to indicate that its application does not refer to, describe, or designate the parts of the goods not being the production of the worker or of members of the association; and
  - (c) the mark is applied to the goods (being goods produced in Australia) by the employer for whom they are produced, or, with the authority of the employer by the worker or a member of the association registering the mark.
- (3) In this section –
  - (a) 'Association' includes any number of associations acting together, and in such case the members of the 'association' shall be the members of the associations which are acting together;
  - (b) 'Production' means production, manufacture, workmanship, preparation or product of labour;
  - (c) 'Produced' has a meaning corresponding with 'production.'
  - (d) Penalty: Fifty pounds, in addition to any liability to forfeiture provided by law.

Provision was also made against the registration of a workers' trade mark if it was 'substantially identical with any registered trade mark within the meaning of this Act or so nearly resembles it as to be likely to deceive' (s 75(5)). Furthermore, in a carefully extended olive branch to those fearful that the new provisions might enlarge the lawful range of trade union activities, it was provided that nothing in this Part was to be construed so as to make lawful for any person or association of persons to do anything that would have been previously unlawful (s 76). A curious final provision stipulated that the new Part did not apply to any primary

<sup>14</sup> These were Pts III (Registrable Trade Marks), IV (Registration of Trade Marks), V (Assignment of Trade Marks) and VI (The Register of Trade Marks).

products of the agricultural, viticultural (including wine-making), horticultural, dairying (including butter-making and cheese-making) or pastoral industries (s 77). Quite separate, then, from any larger question of constitutional invalidity, it was therefore arguable that the Brewery Union Employees' registered mark for 'Beer, Porter (in Bottles, Cases & Barrels), Malt in Bags & Tanks, Mineral, Aerated Waters, Cordials, Hop Beer, Ginger Beer (in Bottles, Cases & Barrels)'<sup>15</sup> fell outside the scope of Pt VII in any event (unless it was to be said that 'beer', 'porter', and so on are not primary products, but secondary or processed products).

In sum, the provisions of Pt VII were something of an oddity by comparison with previous trade marks legislation (at least in Australia). While their union provenance was, of course, quite explicit, their practical impact on employers was carefully limited, and it was possible to characterise them as a kind of consumer protection measure – what we might describe today as a special kind of certification mark. And, if we are all agreed – employees and employers alike – that the avoidance of 'sweated labour' conditions is desirable, how could anyone rationally oppose such measures directed at drawing the attention of consumers to the fact that goods had been made by union (and 'non-sweated') labour? This point, indeed, was made somewhat ingenuously in the following description of the provisions by Higgins J, one of the dissentients in the subsequent High Court challenge:

the 'workers' trade mark' is a mark which may be registered by a worker or a workers' union (or other association) to show that the goods marked are the workmanship of members of the union; and it is to be the property of the union. But the mark is not to be applied to any goods without the sanction of the owner of the goods. It is to be used by the owner of the goods for the purposes of his trade, as it is believed that many people will prefer to buy goods which bear a mark such as this, a mark which is a guarantee that the goods have not been produced by 'sweated' labour. The mark is, in short, a device to enable the public, if they so desire, to discourage 'sweating' of human beings – to give to purchasers the opportunity of carrying out the moral duty which 'Parson Lot' (Charles Kingsley) inculcated sixty years ago, in burning words, in his pamphlet, 'Cheap clothes and nasty.' The mark is legal even without the Act; so that even if there were no Part VII at all, such a mark could be applied to the goods by the owner of the goods or with his consent. Without any legislation at all this mark could be used by the owner of the goods for the purposes of his trade, for the purpose of attracting purchasers who are in sympathy with the objects of unions. But Part VII is necessary for the purpose of punishing a manufacturer who untruthfully applies the mark to his goods. If Part VII is void, that penalty cannot be enforced, and the manufacturer cannot be restrained by the union from applying it to his goods untruthfully. The plaintiffs' contention is, in short, that the Federal Parliament has no power to punish the untruthful application of a workers' mark to goods.<sup>16</sup>

For trade mark purists, let alone employers, the provisions of Pt VII were potentially more troubling, as was reflected in the speed with which a challenge to the constitutional validity of the provisions was mounted.

<sup>15</sup> *Australian Official Journal of Trade Marks*, 16 November 1906, Vol. 1, No. 13.

<sup>16</sup> *Attorney-General for NSW v Brewery Employees' Union of NSW (Union Label case)* (1908) 6 CLR 469, 599–600.



## The constitutional challenge

Despite the parliamentary furore, there was hardly a flood of applications by workers and unions to register marks under Pt VII. As noted at the outset of this chapter, by the time of the High Court case only two had progressed to registration: those of the Tailoresses Union of New South Wales and the Brewery Employees' Union of New South Wales. By contrast, there were thousands of applications to register 'traditional' marks: the new Act came into force on 2 July 1906 and the first issue of the *Australian Official Journal of Trade Marks*<sup>17</sup> reported the details of 266 applications received on that date, with a note that Applications 267 to 758 were also received on that day and would be published in the next issue.<sup>18</sup> By the end of 1906, 3208 applications had been filed.<sup>19</sup> The new Trade Marks Office in Melbourne (also the Patent and Designs Office) had, in addition, the carriage of applications that were made or still in train under the various state trade marks acts.

Nonetheless, a constitutional challenge to remove the threat posed by Pt VII was rapidly mounted, albeit that this may seem to have been unnecessary in purely practical terms. Even within this short time, however, the composition of the High Court had changed. Less than a year after the passage of the *Trade Marks Act 1905*, both Isaacs and Higgins<sup>20</sup> were appointed to the High Court bench, two more radical additions to the founding (and more conservative) trio of Griffith,<sup>21</sup> Barton<sup>22</sup> and O'Connor.<sup>23</sup> Isaacs's tenure of the office of Attorney-General had been relatively short but eventful, while Higgins had served even more briefly as Attorney-General in the Watson Government. Despite his sponsorship of the trade marks bill, however, Isaacs saw no reason why he should not sit on any constitutional challenges to enactments that he had drafted or sponsored in his parliamentary capacity, including that mounted by the New South Wales brewery employers the following year. Such disregard for possible conflicts was not unusual for Isaacs: even as Commonwealth Attorney-General, he had continued to accept private briefs and had conducted a large practice at

<sup>17</sup> 24 August 1906, Vol. 1, No. 1.

<sup>18</sup> *ibid.*, p. 11.

<sup>19</sup> *Australian Official Journal of Trade Marks*, 28 December 1906, Vol. 1, No. 19, pp. 290–1.

<sup>20</sup> See further J Rickard, *HB Higgins: The Rebel as Judge*, George Allen & Unwin, Sydney, 1984.

<sup>21</sup> See further the *Australian Dictionary of Biography* (online edn), entry for 'Sir Samuel Walker Griffith, 1845–1920', available at <http://www.adb.online.anu.edu.au/biogs/A090113b.htm>. Griffith had been Premier and Chief Justice of Queensland, as well as a prominent participant in the federation debates.

<sup>22</sup> See further *Australian Dictionary of Biography* (online edn), entry for 'Sir Edmund Barton, 1849–1920', available at <http://www.adb.online.anu.edu.au/biogs/A070202b.htm>. Barton had been a member of the New South Wales parliament, Attorney-General and a leading proponent for federation; he was the first Prime Minister of the new commonwealth in 1901, and, despite a reputation as a relaxed, even convivial, and undisciplined political leader, he was subsequently regarded as a good and careful judge.

<sup>23</sup> See further *Australian Dictionary of Biography* (online edn), entry for 'Richard Edward O'Connor, 1851–1912', available at <http://www.adb.online.anu.edu.au/biogs/A110062b.htm>. O'Connor was also a colonial and early Commonwealth politician, serving under Barton until his appointment to the High Court in 1903. A point of commonality between Griffith, Barton and O'Connor, reflected in their harmonious relations in judgment writing, may have been that, as Griffith later claimed, their 'minds ran in similar grooves', perhaps due to 'early training at our common University of Sydney'. Higgins and Isaacs, by contrast, came from a more radical alma mater in the south (The University of Melbourne). More important, however, may have been the close links between Griffith, Barton and O'Connor in the federation debates of the 1890s.



the bar.<sup>24</sup> Indeed, it seems that there may have been a financial necessity to do so as ministerial salaries were limited, and, in the absence of a private income, many members had to pursue their private professional or business interests to maintain themselves.<sup>25</sup>

The bringing of the challenge came quickly after enactment: at the relation of several brewery companies,<sup>26</sup> the Attorney-General of New South Wales instituted a suit in the High Court against the union and Registrar of Trade Marks for the following orders:

1. a declaration that the registration of the worker's mark by the Brewery Employees' Union of NSW was null and void in so far as the provisions of Pt VII of the Act pursuant to which it was registered were beyond the powers of the Commonwealth Parliament and also 'inasmuch as the mark so registered never was a trade mark';
2. a further declaration that the provisions of Pt VII were null and void, inasmuch as they were beyond power;
3. an order removing the said mark from the register; and
4. a declaration that the registrar had no authority or power to keep a register of workers' trade marks, and an injunction restraining him from so doing.

The parties were represented by an array of notable legal and political identities from the Victorian, New South Wales and South Australian bars: the breweries by Edward Mitchell KC from Melbourne<sup>27</sup> and Patrick Glynn from South Australia<sup>28</sup> (with Lamb);<sup>29</sup> the union by WA Holman<sup>30</sup> and DR Hall,<sup>31</sup>

**24** Cowen, *ADB* entry, op. cit. n. 9, notes that, even as Attorney-General, Isaacs had continued to conduct one of the largest private practices at the Victorian Bar: 'While holding office as attorney-general, Isaacs maintained a large private practice; when criticized in parliament he defended his conduct with characteristic vehemence. According to Garran: 'Isaacs' capacity for work was amazing. By day he carried on the biggest practice of the Victorian Bar; by night he did full justice to the duties of Attorney-General'. They would work on a draft of legislation which Garran would leave with the government printer about midnight: in the morning Garran might find the draft redone, Isaacs having had second thoughts and recovered the bill from the printer's office. Between 1901 and 1906 Isaacs appeared as leader in well over one hundred reported cases in the Victorian Supreme Court and in twenty-five in the High Court. Their range was very wide, including some of constitutional importance; he also argued will, trust and administration matters, liability to land tax, mining law, and matters of statutory construction.'

**25** This appears to have been an issue for O'Connor, who had to leave his busy practice in Sydney for months while attending to ministerial business in Melbourne in 1901-03: see *ADB* entry for RE O'Connor.

**26** The principal of these was Tooth and Company Ltd, now part of CUB.

**27** *Australian Dictionary of Biography* (online edn), entry for 'Sir Edward Fancourt Mitchell, 1855-1941', available at <http://www.adb.online.anu.edu.au/biogs/A100517b.htm>, and one of the pre-eminent High Court barristers of the first decade and a half of the court's existence.

**28** Another leading member of the pre-federation conventions, a founding member of the Commonwealth parliament, and subsequently Attorney-General, Minister for External Affairs and Minister for Home Affairs: see further *Australian Dictionary of Biography* (online edn), entry for 'Patrick Glynn, 1855-1931', available at <http://www.adb.online.anu.edu.au/biogs/A0900296.htm>.

**29** Unfortunately, not further identified.

**30** Subsequently Labor (and then Nationalist) Premier of New South Wales: see further *Australian Dictionary of Biography* (online edn), entry for 'William Arthur Holman, 1871-1934', available at <http://www.adb.online.anu.edu.au/biogs/A90346b.htm>.

**31** Another Labor politician (state and Commonwealth) and later Attorney-General of New South Wales, a close colleague of Holman's both at the bar and in politics: see further *Australian Dictionary of Biography* (online edn), entry for 'DR Hall, 1874-1945', available at <http://www.adb.online.anu.edu.au/biogs/A090153b.htm>.

and the registrar by Duffy KC<sup>32</sup> from Melbourne and Cullen KC<sup>33</sup> (with Bavin)<sup>34</sup> from Sydney. In crude terms, there were two parties (the union and the registrar) supporting the validity of Pt VII, with one party (the breweries) advancing the case against. As will be seen, this made no difference to the outcome.

The hearing occupied 11 days, commencing on 30 March 1908 and concluding on 11 April – a lengthy proceeding by contemporary standards. By contrast, the court's decision was delivered, after a reasonably short period, on 8 August 1908. Within less than three years of its enactment, Pt VII was declared invalid and became just a footnote in Australian trade mark history, its demise not even noted in the *Official Journal*.<sup>35</sup>

## The court's decision

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Given the politics of the matter, it is not surprising to find the High Court split between a majority comprising the original trinity (Griffith CJ, Barton and O'Connor JJ) and a minority comprising the two Victorian radicals (Isaacs and Higgins JJ). The decisions of the justices (all five delivered separate judgments), however, reveal significant insights into the history and rationales for trade mark protection, and are a vivid illustration of the erudition and breadth of learning to be found in the early High Court.

## The majority judgments

The majority<sup>36</sup> found that Pt VII was beyond power and was therefore invalid, on the basis that a workers' mark did not come within the concept of a trade

<sup>32</sup> Later Sir Charles Gavan Duffy, justice and then Chief Justice of the High Court of Australia: *Australian Dictionary of Biography* (online edn), entry for 'Charles Gavan Duffy, 1852–1936', available at <http://www.adb.online.anu.edu.au/biogs/A080377b.htm>.

<sup>33</sup> A prominent Sydney silk and academic (at one point Acting Dean of the Sydney Law School) and later Chief Justice of New South Wales: *Australian Dictionary of Biography* (online edn), entry for 'Sir William Portus Cullen, 1855–1935', available at <http://www.adb.online.anu.edu.au/biogs/A090029b.htm>.

<sup>34</sup> Like Holman and Hall, another aspiring lawyer-politician, later to become Premier of New South Wales and Supreme Court justice, and also Barton J's first associate: see further *Australian Dictionary of Biography* (online edn), entry for 'Sir Thomas Rainsford Bavin, 1874–1941', available at <http://www.adb.online.anu.edu.au/biogs/A070213b.htm>.

<sup>35</sup> Thus, the issue of the *Official Journal* after the date of the decision (14 August 1908, Vol. 3, No. 33) makes no reference to the High Court's decision, although it notes the adherence of the Commonwealth to the Paris Convention for the Protection of Industrial Property was to take effect as from 5 August 1907. Coincidentally, among the trade marks listed for acceptance on that date was one for 'Higgin's Fine Salt' (along with applications for 'The Dreadnought Hosiery', 'Red Cross' and 'Zesto'). Formal legislative burial of Pt VII did not occur until the *Trade Marks Act 1912* (Cth) ss 3 and 24 repealed the provisions.

<sup>36</sup> As noted above, this comprised Griffith, Barton and O'Connor, each of whom delivered judgments. In the case of Barton, it is interesting to note that he was now beginning to give separate judgments, rather than just concurring with Griffith. There had been criticism of him for this during his first three years on the court, with observers attributing his readiness to concur to his general laziness: see the *ADB* entry for Barton. It appears though that Barton was far from lazy in performing his judicial duties, and became a far more regular judgment writer from 1906 (in general, siding with Griffith and O'Connor, whose early death in 1912 caused Barton great personal distress): see further the entry for Barton by Geoffrey Bolton and John Williams in T Blackshield, M Coper and G Williams (eds.), *The Oxford Companion to the High Court of Australia*, Oxford University Press, South Melbourne, 2001, pp. 53–6.

mark. In their view, in determining the scope of the power under s 51(xviii), it was necessary to ascertain the meaning which the term 'trade mark' bore in 1900, the time at which the Constitution was enacted. This, in turn, involved a careful consideration of the statutory and non-statutory law concerning trade marks which had developed both in the UK and the Australian colonies prior to this date. In the light of this examination, the majority concluded that in 1900, the word 'trade mark', whether it was to be regarded as a term of art or as a word used in popular language, did not denote every kind of mark which might be used in trade, but, in Griffith CJ's words:

meant a mark which is the visible symbol of a particular kind of incorporeal or industrial property consisting in the right of a person engaged in trade to distinguish by a special mark goods in which he deals, or with which he has dealt, from the goods of other persons.<sup>37</sup>

This involved 'five distinct elements' (with which Barton and O'Connor JJ in substance agreed):

- (1) A right which is in the nature of property;
- (2) The owner of the right must be a person, natural or artificial, engaged in trade;
- (3) The right is appurtenant or incident to the dealing with goods in the course of his trade;
- (4) The owner has such an independent dominion over the goods to which the mark is to be affixed as to entitle him to affix it to them . . .
- (5) The mark distinguishes the goods as having been dealt with by some particular person or persons engaged in trade . . .<sup>38</sup>

Applying these criteria, the majority concluded that the workers' mark did not come within the meaning of 'trade mark'. Thus, it could not be said that the right to prevent others from using a workers' mark conferred a right of property in the exclusive use of that mark. Again, although individual workers could engage in trade, this could not be said of an association of workers such as a trade union. Furthermore, at no stage did the union have such an independent dominion over the goods to which the mark was to be affixed as to entitle it to do so on its own behalf. While the union might perhaps stipulate that no persons other than union members should be employed in the production of the goods, the mark was still applied by or with the authority of the employer and this was an 'entirely different concept from the right of dominion involved in the concept of a trade mark'. Finally, the workers' mark did not in fact purport to distinguish the goods to which it was affixed as being those of a particular trader but merely indicated that certain persons, in other words, unionists, had been engaged in the production of the trader's goods.<sup>39</sup> O'Connor J pithily described this gap in relation to the brewery employees' mark in the following terms:

<sup>37</sup> (1908) 6 CLR 469, 512-13.

<sup>38</sup> *ibid.*, pp. 513 (Griffiths CJ), 525 (Barton J) and 540 (O'Connor J).

<sup>39</sup> *ibid.*, pp. 513-17 (Griffiths CJ).

The different breweries of New South Wales, for instance, each selling its own manufacture, are, it must be assumed, in competition for the favour of the public. But the workers' trade mark in no way aids the public to distinguish one set of goods from another. Every brewer employing union labour may use the mark. Its use distinguishes those who do not from those who do employ union labour. But amongst those who employ union labour there is no distinction of goods or of manufacture. Indeed, it is no part of the object of the mark or its application to make any such distinction. Its object simply is to distinguish the breweries in which union labour is employed from those in which union labour is not employed, just as a mark might be used to distinguish goods made in Australia or by white labour from those made abroad or by coloured labour.

But that is not the kind of 'distinctiveness' in a mark which enables the public to distinguish the goods with which one person or corporation has had a business connection, using that phrase in the sense which I have explained, from those with which another person or corporation have had a business connection of a like kind. The mark is wanting, therefore, in the second essential, that of 'distinctiveness,' which is inseparable from the very nature of a trade mark as known to the law at the time when the Constitution was passed. No doubt, the sections under consideration provide that the 'device, design,' etc., shall be 'distinctive,' but in the context that can mean nothing more than 'distinctive' within the limits fixed by the Statute. And, as I have pointed out, it is impossible that the mark as created can have any 'distinctiveness' in the sense in which the law understands that expression.<sup>40</sup>

This led inexorably to the conclusion:

The more the matter is examined the plainer does it become that the whole nature and purpose of the workers' trade mark is different from that of the ordinary trade mark as known to the law. The latter originated in its use by traders for trade purposes, and has for its sole object the benefit and interest of the trader in competition with other traders. It has no other purpose to serve, and it has won its recognition as a necessary incident of trade for the benefit and protection of traders and of the purchasing public. The workers' trade mark is not an incident of the business in which it is used; its object is not the benefit of the manufacturer who uses it, nor does the benefit to the workman who has taken part in the manufacture arise directly from the use of the mark in the business – his benefit is the indirect gain which may come to him by advancement of the interest of his union generally. In my opinion, therefore, the workers' trade mark is wanting in the essential characteristics of a trade mark within the meaning of pl. xviii of sec. 51 of the *Constitution*, and the Commonwealth Parliament in enacting the provisions of Part VII of the *Trade Marks Act* has exceeded the powers conferred upon it by that sub-section.<sup>41</sup>

Further arguments that the provisions of Pt VII might be upheld as within the trade and commerce power were rejected, as there was nothing in the provisions to confine them exclusively to interstate trade or trade with other countries.<sup>42</sup>

Finally, none of the majority justices were prepared to accept preliminary or threshold arguments to the effect that the breweries were not 'persons aggrieved'

<sup>40</sup> *ibid.*, pp. 543–4.

<sup>41</sup> *ibid.*, p. 545.

<sup>42</sup> *ibid.*, p. 547 (O'Connor J).

by the registration of the brewery employees' trade mark. While taking pains to assert that the court would not 'entertain a question brought before it merely to satisfy those whose political views prompt them to struggle to remove an enactment that offends them',<sup>43</sup> the members of the majority concluded that the very presence of such a registration affected the breweries' freedom of trade:

It is said that the registration of the mark in question and its use by other rival traders would not have any such prejudicial effect, since the plaintiffs themselves might acquire the right to use it. But, since they could only do so by the exclusive employment of members of the defendant Union, it is plain that they are interfered with to this extent – that they are no longer free to compete with rival traders on the same terms as before. They must either use or abstain from using the mark. The user or non-user are of equal significance. They are, therefore, obliged to inform their customers that they do or do not exclusively employ persons who are members of the defendant Union, and this information may be of great importance in the opinion of a large class of persons to whom they look for custom. It was suggested that such an interference is so trivial that the Court should disregard it, which seems a singular argument to use in a case in which the right to the mark has been so long and so strenuously contested. In my opinion, this interference with freedom is substantial, and is, unless authorized by some positive law, unlawful and actionable. To use the words of Holt CJ in *Ashby v White* [Raym (Ld), 938, at p. 955]: – 'A damage is not merely pecuniary, but an injury imports a damage, when a man is thereby hindered of his right'; of which he gives many illustrations. I think, further, that the injury is a particular injury to every person whose freedom is so interfered with, and that every such person may maintain an action for an injunction to restrain the interference.<sup>44</sup>

### The minority judgments

As might be expected, the minority viewed the 'workers' trade mark' as containing all the essential characteristics of a 'trade mark' as understood at the time of enactment of the Constitution, in that it was unnecessary that a mark should indicate the particular trade origin of the goods to which it was attached. Isaacs J's judgment is of particular interest in view of his association with the drafting and parliamentary adoption of the trade marks bill; it is dismissive, even dogmatically so, of the plaintiffs' claims for standing.<sup>45</sup> On the substantive issue of constitutional validity, his judgment drew heavily on, and repeated, the

<sup>43</sup> *ibid.*, p. 519 (Barton J).

<sup>44</sup> *ibid.*, p. 498 (Griffith CJ); pp. 519–20 (Barton J); and pp. 549–53 (O'Connor J). This seems quite in line with UK authorities such as *Powell v Birmingham Vinegar Brewery Co* [1894] AC 8, and *In re The Apollinaris Co's Trade Marks* (1891) 2 Ch 186, 225.

<sup>45</sup> (1908) 6 CLR 469, 553–7. Isaacs J, however, towards the end of his judgment (at 586) does make express reference to his 'former parliamentary connection with the Statute', stating that he has been more than 'ordinarily solicitous to re-examine the challenged provisions *ab initio*, and have endeavoured to follow in detail the various objections raised to their legality and to state explicitly the reasons on which my judgment is based'.

same arguments he had advanced in his second reading speech.<sup>46</sup> His 'governing principle' here was as follows:

To ascertain the really essential characteristics of a trade mark it is necessary to distinguish what is merely occasional, though frequent, and to strip the expression of everything that is not absolutely fundamental. If we find some attribute universally attaching to the idea in all circumstances, that attribute is probably indispensable; but if any feature, however usual its presence may be, is not invariably existent, if trade marks, well recognized and established and enforceable by English law, can be found without that feature, it cannot, I apprehend, be asserted that the fundamental concept includes the variable feature. The power of legislation is with respect to *trade marks*, that is, trade marks in the fullest sense, and not merely usual or ordinary trade marks. The fundamental concept once ascertained, the power is unlimited. I shall consider the various points in order, one by one.<sup>47</sup>

And consider them he did, in a carefully constructed forensic exercise intended to strip down the concept of a trade mark to its central core. In particular, he sought to show, in detail, why such elements as ownership or dominion over the goods and exclusive ownership of the mark were not essential characteristics of a trade mark.<sup>48</sup> Extensive references were made to both UK and US decisions that exemplified these points, in an attempt to show that the workers' marks provisions were simply part of a continuum of Anglo-American law in this area. In a somewhat rhetorical style, he stated that if the state courts and parliaments could deal with such matters (with particular reference here to US state legislation on workers' marks), it would be odd if the grant of power to the Commonwealth to legislate with respect to trade marks should not extend to them:

It is said that the States alone can do this. If so it would, as I think, be not only a restriction of the constitutional grant of power and a shortening of federal jurisdiction which might be required to effectually deal with the subject of trade marks, but also a commingling of powers assumedly equal, creating possibly conflicting provisions, and leading very probably to confusion in different States, on the one subject of trade marks. This is the very result, it seems to me, that the Constitution, by placing this power in a single hand for the guidance of the whole people, intended to avert.<sup>49</sup>

Higgins J's judgment is perhaps the more persuasive, and reflective of his developing approach to constitutional interpretation:<sup>50</sup> even if the meaning of 'trade mark' in 1900 was not so wide as to include the workers' mark, the Constitution had conferred on the federal parliament full power to make laws on the whole

<sup>46</sup> Cowen (*ADB* online entry) notes that Isaacs always had a marked reluctance to change his arguments once formulated: 'The style of his speaking and of his judgments, however, was often rhetorical and verbose. More objectionable was his appalling certainty, his unshakeable conviction of the rightness of his opinion and his utter inability to see merit in any other view. He was unwilling to confess error in those cases where he simply had to reverse course and retreat from a position dogmatically stated and wrong. Reading his judgments sometimes leaves a sense that a result has been achieved by a trick, by sleight of hand. He never ceased to be a committed advocate ...'.

<sup>47</sup> (1908) 6 CLR 469, 560.

<sup>48</sup> *ibid.*, p. 560ff.

<sup>49</sup> *ibid.*, p. 587.

<sup>50</sup> Although it must be said that it still reflects the argumentative style of the advocate who has only recently made the transition to the bench: see the various passages extracted in the principal text above.

subject of 'trade marks', that is, to say what marks should be enforceable and what should not. Thus, Pt VII of the 1905 Act did not transgress the power conferred on the parliament 'to make laws with respect to . . . trade marks', the meaning of the expression in 1900 giving the 'centre, not the circumference, of the power'.<sup>51</sup> The present case, of course, involved only a challenge to the Commonwealth's power to legislate with respect to workers' marks: it was not disputed by the plaintiffs that the former colonies and present states could have enacted such laws. To Higgins J, if this were so, then it was a 'flaw in the Constitution'. He went on to say:

if the plaintiffs' argument be successful, we shall have as a result a position which must be confusing and baneful to traders and to the public – we shall have seven different bodies of law makers in Australia laying down laws as to marks used for trade purposes.<sup>52</sup>

Like Isaacs J, Higgins J contended that the workers' marks, in any event, fell within the scope of a 'trade mark' as understood in 1900, having regard here to broader non-legal understandings of the term, as well as to the special protection historically given to 'guild marks' in the UK (in particular, those of the Cutlers' Company now protected as 'Sheffield marks' under the UK Act of 1905<sup>53</sup>) and the protection given to union marks in various US states.<sup>54</sup> In the case of the Cutlers' marks, the analogy to a workers' mark was close: every apprentice, after serving his term, was entitled to get a mark and to be made a freeman of the company.<sup>55</sup> These marks were personal property and assignable or transmissible in gross.

In short, the only attributes that I can find to be common to these words in all their varying uses, the only essential *differentia* from other marks is this – the marks must be used to identify the commodities with some person or body of persons and for the purpose of attracting trade; and these attributes are all found in this 'workers' trade mark'.<sup>56</sup>

<sup>51</sup> (1908) 6 CLR 469, 610.

<sup>52</sup> *ibid.*, p. 601. In this regard, Higgins J referred also to provisions in the *Trade Marks Act 1905* (UK) which provided for 'certification marks' to be registered by associations under s 62, which were not part of UK law in 1900, and which, therefore, on a strict interpretation would not have been within the scope of the term 'trade mark' in 1900.

<sup>53</sup> The Cutlers' Company was incorporated in 1623 by Act 21 Jac 1, c 31. For a brief history of 'Sheffield marks', see TA Blanco White and R Jacob, *Kerly's Law of Trade Marks and Trade Names*, 10th edn, Sweet & Maxwell, 1972, chap. 6. This material appears to have been deleted from later editions, but was contained in the second edition (1901) which was available to, and cited by, the various members of the High Court in the *Union Label* case. Other special marks of this kind were marks for gold and silver smiths which were the subject of legislation dating back to 1423: 2 Hen 6, c 17. Under a later statute, 13 Geo 3, c 52 (1772), it was provided that, among the markings to be applied gold and silver was 'the mark of the worker or maker which shall be the first letters of his Christian and surname' (the others being the marks of the company, the symbol of a lion passant and the year): s 4.

<sup>54</sup> In argument, Holman had referred to state Acts giving trade unions the right to register trade marks that had been passed prior to 1900 in California (as early as 1889), Minnesota, Georgia, Indiana and Colorado: (1908) 6 CLR 469, 483.

<sup>55</sup> *ibid.*, p. 608.

<sup>56</sup> *ibid.*



As to the various statutory US precedents, Higgins J noted that these had all occurred before 1900, observing that these statutes actually referred to workers' marks as 'trade marks':

I suppose it will not be contended that we are not to take into consideration the English language as used in America – the country where most of those who use the English language live. Probably, as our Constitution is contained in a British Act, if the British meaning were in conflict with the American meaning, that meaning should be adopted which the language would bear as coming from a British legislature in preference to the meaning which it would bear as coming from an American legislature. But this is not a case of conflict; and we are entitled, I think, to take into account the use of the English language wherever that language is heard – even if the sound have the *timbre* of a gramophone.<sup>57</sup>

Quite apart from these considerations, Higgins J argued that, even if the workers' marks fell outside the scope of 'trade mark' as understood in 1900, they still came properly within the general ambit of the power to legislate with respect to that subject-matter in s 51(xviii):

What is committed to the Federal Parliament is not the *class* of things called trade marks, but the whole *subject* of trade marks. No doubt, we are to ascertain the meaning of 'trade marks' as in 1900. But having ascertained that meaning, we have then to find the extent of the power to deal with the subject of trade marks – or, what is the same thing, to find the meaning of the 'power to make laws with respect to trade marks.' The usage in 1900 gives us the central type; it does not give us the circumference of the power. To find the circumference of the power, we take as a centre the thing named – trade marks – with the meaning as in 1900; but it is a mistake to treat the centre as the radius.<sup>58</sup>

More memorably, Higgins J lays down his approach to constitutional interpretation in the following trenchant terms:

The plaintiffs in their argument treat the power of the Federal Parliament to make laws with respect to trade marks as if it were a power to make laws with respect to cattle. In such a case, if a beast does not come under the term 'cattle,' as understood in 1900, there is no power, it is said, to make any laws about it. But I am clearly of opinion that this narrow doctrine propounded by the plaintiffs is, in construing a constitutional power to make laws, unwarrantable and absolutely wrong. In the first place, there is a vital distinction arising from the nature of the subject. Cattle are concrete, physical objects, and the boundaries of the class are fixed by external nature; whereas 'trade marks' are artificial products of society, and dependent upon the will of society. The class 'cattle' cannot well be extended by man; the class 'trade marks' can be extended. Power to make laws as to any class of rights involves a power to alter those rights, to define those rights, to limit those rights, to extend those rights, and to extend the class of those who may enjoy those rights. In the same clause of sec. 51, power is given to make laws with respect to 'copyrights' (rights of multiplying copies of books, etc.); with respect to 'patents' (rights to make or sell inventions); and with respect to 'trade

<sup>57</sup> *ibid.*, p. 609.

<sup>58</sup> *ibid.*, p. 610. In a peculiarly Australian reference, Higgins J subsequently goes on to refer the outer limits of the trade mark power as the 'ring fence': *ibid.*, p. 613.

marks' (rights to use marks for the purposes of trade). The power to make laws 'with respect to' these rights, involves a power to declare what shall be the subject of such rights. In the second place, although we are to interpret the words of the Constitution on the same principles of interpretation as we apply to any ordinary law, these very principles of interpretation compel us to take into account the nature and scope of the Act that we are interpreting – to remember that *it is a Constitution, a mechanism under which laws are to be made, and not a mere Act which declares what the law is to be*.<sup>59</sup>

Several comments can be made about the historical and comparative precedents cited in support by the dissentients:

1. In relation to the issue of whether the trade mark owner should have ownership or dominion over the goods to which the mark is applied, it is noteworthy that some of the authorities referred to here actually concerned the provision of services and were what we would now regard as 'service marks'. For example, *Re Sykes and Co's Trade Mark*<sup>60</sup> concerned the activities of calico bleachers who bleached materials for manufacturers and applied their mark to the inside of the first fold of each parcel of calico, with the manufacturer's mark then being applied to the outside. More generally, it was clear that the common law and equity were ready to protect marks used in businesses and in relation to indicia that would not have qualified for registration under either the UK or Australian statutes, including such things as the get-up of goods.<sup>61</sup>
2. The Cutlers' Company and other similar marks, strongly relied on by Isaacs and Higgins JJ as precursors of the workers' mark, were equally readily distinguished by the majority as 'having their origin in local conditions or relating only to special trades', and therefore 'in their nature and incidents entirely different from ordinary trade marks . . .'.<sup>62</sup> It could hardly be supposed that the framers of s 51 (xviii) of the Constitution 'had in mind when the sub-clause was enacted "trade marks" as generally known and recognized in commerce, and protected by the conventions of all mercantile nations, and not some special and local variety of mark used only in England'.<sup>63</sup>
3. The statutory protection that had been given to workers' marks in various states in the US, such as California and Minnesota, could be used on either side of the argument. To the minority, these were simply illustrations of the expansive concept of a 'trade mark'. To the more sceptical critics, such

<sup>59</sup> *ibid.*, p. 613.

<sup>60</sup> (1880) 43 LT 626, referred to by Isaacs J in the *Union Label* case: (1908) 6 CLR 469, 561.

<sup>61</sup> All of the judges quoted various authorities to this effect, and it is also clear from a perusal of the coverage given to such matters in contemporary text books, such as DM Kerly, *The Law of Trade-Marks, Trade-Names, and Merchandise Marks: With Chapters on Trade Secrets and Trade Libel, and a Full Collection of Statutes*, 2nd edn, Sweet & Maxwell, London, 1901; and LB Sebastian, *The Law of Trade Marks and Their Registration and Matters Connected Therewith*, 4th edn, Stevens and Sons, London, 1899.

<sup>62</sup> (1908) 6 CLR 469, 537 (O'Connor J).

<sup>63</sup> *ibid.* An interesting point, considering that all members of the court had participated, to different degrees, in the various pre-federation conventions.

as Barton<sup>64</sup> and O'Connor JJ,<sup>65</sup> these enactments proved the opposite: such special legislation was clearly necessary because workers' marks otherwise did not come within the scope of that concept. Furthermore, it was accepted by all sides that, in the absence of such statutory provisions, US courts had typically refused to protect workers' marks.<sup>66</sup> There was also a marked division of opinion between the members of the majority and minority (all arguably themselves 'framers of the Constitution') as to whether they (the framers) would have had regard to the existence of workers' marks laws in the US in formulating the trade marks power in s 51(xviii). In Higgins J's view:

it is not a violent assumption to suppose that the framers of our Constitution and the British Parliament know something of the long controversy as to the union label in the Courts and in the legislatures of the United States, and meant to give the Australian Parliament full power, under the head of 'trade marks,' to deal with the whole subject as it saw fit – power as full as each State of the Union had, as each Australian Colony had, as the British Parliament had ...<sup>67</sup>

Such knowledge and prescience, however, was denied by Barton J:

that legislation, in my opinion, cannot, even apart from its many variances, be supposed to have been known to and to have been in the minds of the framers of the Australian Constitution. Where a part of the Constitution of the United States has been judicially interpreted and an identical or manifestly equivalent form of expression has been adopted in the Australian Constitution, the words of the former and the meaning judicially given them are of much importance, at any rate in weighing the reasons for the interpretations cited. But this is a different matter. The United States Constitution contains no provision similar to that of our sec. 51(xviii.) Besides, if the framers of the Constitution knew of the Statutes, they knew of the decisions, and knew that the great bulk of American authority was to the effect that trade marks do not include union labels.<sup>68</sup>

## The wider issue faced by the High Court

It will be seen that the problem facing the High Court here is the same one that has confronted that court on numerous other occasions, namely, how is it to interpret the scope of a head of power conferred on the Commonwealth parliament by an instrument enacted in 1900? While the majority held that the meaning of the terms used in that instrument were to be 'ascertained by their signification in 1900', Griffiths CJ nonetheless recognised that 'with advancing civilization new developments, now unthought of, may arise with respect

<sup>64</sup> *ibid.*, pp. 529–30.

<sup>65</sup> *ibid.*, p. 536.

<sup>66</sup> *ibid.*, p. 529 (Barton J); p. 536 (O'Connor J, referring to the decision of the Massachusetts court in *Werner v Brayton* 152 Mas 101); and pp. 577–81 (Isaacs J examining and distinguishing various US authorities).

<sup>67</sup> *ibid.*, p. 609.

<sup>68</sup> *ibid.*, p. 530.

to many subject-matters' and that as long as these new developments related to the same subject-matter the powers of parliament would continue to extend to them. On the other hand, parliament was not entitled to 'enlarge its powers by calling a matter with which it is not competent to deal by the name of something else which is within its competence'.<sup>69</sup> On this view, the heads of power enumerated in s 51 were not to be interpreted restrictively: provided that the same essential object or function covered by the head in question is being fulfilled, it should not matter how this is done.<sup>70</sup> At the same time, it should be noted that the differences between the majority and minority judges reflected a marked philosophical division between them over the proper approach to the interpretation of the provisions of the newly minted Commonwealth Constitution. In particular, a powerful factor impelling the majority to a narrower view of the scope of s 51 (xviii) was the doctrine of reserved state powers which had been formulated in earlier decisions of the court, pursuant to which 'some heads of Commonwealth legislative power were given a narrow interpretation to avoid undue encroachment on the reserved powers of state power'.<sup>71</sup> This self-limiting doctrine of constitutional interpretation was to continue for another 12 years after the *Union Label* case until it was overthrown in the *Engineers'* case<sup>72</sup> by a differently constituted High Court in which Isaacs and Higgins JJ were now in the majority.

Questions of constitutional interpretation aside, there was also a real fault line of substance between the majority and minority in relation to the proper function of trade mark protection: the separation between ownership of the mark and ownership of the goods to which it was applied was one thing, but more significant, in the final analysis, was the connection indicated by the mark. In the majority's view, the association of the worker with the goods was too transient or ephemeral for the purposes of a trade mark. Thus, the latter was not a certification that particular things had happened to goods or that particular persons had worked upon them: it was a proprietary right that indicated that at some time the trade mark owner had had dominion over the goods, howsoever transient. As O'Connor J makes clear in the passage quoted above, the nature and purpose of the workers' mark was quite different from that of the 'ordinary trade mark known to the law'. To repeat his Honour's words:

The workers' trade mark is not an incident of the business in which it is used; its object is not the benefit of the manufacturer who uses it, nor does the benefit to the workman who has taken part in the manufacture arise directly from the use of the mark in the business – his benefit is the indirect gain which may come to him by advancement of the interest of his union generally. In my opinion, therefore, the workers' trade mark is

<sup>69</sup> *ibid.*, p. 501.

<sup>70</sup> See, for example, cases concerning the scope of the posts and telegraphs power under s 51(v) of the Constitution: *Re Brisbane*; *Ex parte Williams* (1935) 54 CLR 262 (FC, HC); *Jones v The Commonwealth* (No. 2) (1965) 112 CLR 206 (FC, HC).

<sup>71</sup> K Booker, entry on 'Reserved state powers' in Blackshield et al, *op. cit.*, pp. 601–2, and see further the judgment of Kirby J in *Grain Pool of Western Australia v Commonwealth* (2002) 202 CLR 479, para. 108ff.

<sup>72</sup> *Amalgamated Society of Engineers v Adelaide Steamship Co Ltd* (1920) 28 CLR 129.

wanting in the essential characteristics of a trade mark within the meaning of pl. xviii. of sec. 51 of the Constitution.<sup>73</sup>

## Implications of the decision

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The dry legal argument of the court tends to obscure the intense political debates that had accompanied the adoption of the workers' marks provisions – the members of the majority were at pains to observe that they were simply interpreting the Constitution without regard to 'its own notions of what it is expedient that the Constitution should contain or the parliament should enact'.<sup>74</sup> But the political context cannot be disregarded, nor can the 'chilling' effect of the decision on the future development of Australian intellectual property law. In the case of trade marks, it was to be almost 70 years before the Commonwealth government felt confident enough to legislate for the protection of service marks,<sup>75</sup> although the latter probably met the criteria of the majority in the *Union Label* case in any event. In their view, the essential feature of a trade mark was that it indicated the trade origin of the goods to which it was applied. This was not true of a worker's mark, the object of which, at most, was to indicate that certain persons had worked in the production of a particular trader's goods. On the other hand, a mark in respect of services does indicate the trade origin of those services, the only difference being that the subject-matter is services rather than goods. Thus, the arguments in favour of extending the trade marks power under s 51 (xviii) were stronger than those in favour of workers' marks. In addition, it can be argued that, prior to 1900, even if statutory trade mark protection in respect of services did not exist, trade marks in respect of services were protected equally with those in respect of goods by the common law and equity courts.<sup>76</sup>

Subsequent developments in constitutional interpretation by the High Court, particularly after the overthrow of the doctrine of reserved state powers, now

<sup>73</sup> (1908) 6 CLR 469, 545.

<sup>74</sup> *ibid.*, p. 500 (Griffith CJ). And, it must be said, both Isaacs and Higgins JJ in their judgments still adopted the role of advocates for their previous parliamentary and political positions.

<sup>75</sup> See, for example, the doubts expressed by the Dean Committee in 1954 which described the *Union Label* case as imposing a 'serious handicap upon any reform of the law', noting that 'whereas other countries have been free to extend the definition of 'trade mark', we are not'. See Dean Committee, Commonwealth of Australia, *Report of the Committee Appointed by the Attorney-General of the Commonwealth (Senator the Honourable JA Spicer, QC) to Consider What Alterations are Desirable to the Trade Marks Law of the Commonwealth*, 1954, para. 10. Note also that the committee did not believe in any event that, at that time, extension of registered trade marks protection to services was warranted: see paras. 38–41. It does not appear that the Knowles Committee of 1938 (the predecessor to the Dean Committee and the report of which is appended to Dean) considered the issue of service marks or other extensions to registered trade mark protection, apart from noting the restrictive effect of the *Union Label* case in removing the workers' mark provisions of Pt VII of the 1905 Act: Knowles Committee, para. 9.

<sup>76</sup> At the same time, if legislation with respect to service marks could not be supported under s 51 (xviii), the external affairs power in s 51 (xxix) might provide a suitable basis, because Art 6 *sexies* of the Paris Convention for the Protection of Industrial Property to which Australia is a signatory provides for their protection. While this need not be by way of a registration system, it is highly likely that legislation to this effect can still be justified under s 51 (xxix).

render the *Union Label* case largely a matter of historical interest: consider, for instance, the High Court's more expansive approach to the interpretation of s 51(xviii) in such cases as *Nintendo Co Ltd v Centronics Systems Pty Ltd*<sup>77</sup> and, in particular, *Grain Pool of Western Australia v Commonwealth*,<sup>78</sup> in which the dissenting view of Higgins J was explicitly approved.<sup>79</sup> In other areas too, such as corporations, external affairs, and communications,<sup>80</sup> the court has liberated these powers from their 1900 shackles, and has augmented the Commonwealth parliament's powers in a way that would have been quite unexpected, if not shocking, to the carefully nuanced approach of the founding trinity of Griffith CJ, Barton and O'Connor JJ.<sup>81</sup> On the other hand, even given the most expanded view of the scope of s 51(xviii), it is unlikely that the decision of the High Court in *Davis v The Commonwealth*<sup>82</sup> in relation to the *Australian Bicentennial Authority Act 1988* (Cth) would have been any different. (In that case, among other things, the High Court held that s 51(xviii) could not sustain provisions in that Act that sought to protect 'common words and expressions having no capacity to distinguish the Authority or the activities in which it engages or which it promotes'.<sup>83</sup>)

Quite apart from the constitutional perspective, the story of the *Union Label* case still resonates strongly today, raising the following wider issues of political and social concern:

1. The clash of labour and capital, in particular the strong conflict over the place of union power, with the workers' mark legislation being seen as playing a crucial part in the economic nationalist policies of early Commonwealth governments.
2. The ready and well-informed reference that was made by all parties, both in parliament and in the court, to legislative models to be found in other common law jurisdictions, such as California and other American states, as well as to judicial decisions from those places.

<sup>77</sup> (1994) 181 CLR 134.

<sup>78</sup> (2000) 202 CLR 479.

<sup>79</sup> *ibid.*, paras. 19 and 20 (Gleeson CJ, Gaudron, McHugh, Gummow, Hayne and Callinan JJ).

<sup>80</sup> See further *The King v Burgess; Ex parte Henry* (1936) 55 CLR 608 (FC, HC); *Strickland v Roca Concrete Pipes Ltd* (1971) 124 CLR 468; *Koowarta v Bjelke-Peterson* (1982) 56 ALJR 625 (FC, HC); *Commonwealth v Tasmania* (1983) 158 CLR 1.

<sup>81</sup> In this regard, see the separate judgment of Kirby J in the *Grain Pools* case in which his Honour examines the judgments in the *Union Label* case in some detail, noting that one of the circumstances explaining the more restricted approach of the majority in tying the interpretation of s 51(xviii) to 1900 as the 'terminus' was the doctrine of the implied reserve powers of the States: see *Grain Pool of Western Australia v Commonwealth* (2002) 202 CLR 479, para. 108, and see further Booker, *op. cit.*

<sup>82</sup> (1988) 63 ALJR 35.

<sup>83</sup> *ibid.*, p. 40 (Mason CJ, Deane and Gaudron JJ). The judges took the view that such provisions would not be sustained under either the majority or minority views in the *Union Label* case. In consequence, protection of such kinds of words and expressions under state legislation would appear to be justifiable, so long as such enactments do not stray into the protection of 'trade marks'. See, for example, the limited protection extended under Victorian law to certain descriptive and geographic expressions by the *Australian Grand Prix Act 1994* (Vic) ss 3 (definition of 'grand prix insignia') and 21(1)(j) (power of Australian Grand Prix Corporation to 'restrict, control and make charges for the use of grand prix insignia'), and under the *Commonwealth Games Arrangements Act 2001* (Vic) ss 3 and 56K (protection, now repealed, for 'Commonwealth Games references').

3. The emerging and central role of the High Court as interpreter of the new Commonwealth Constitution.

Some lesser, but interesting, *Leitmotiven* are also evident:

4. The notion of conflict of interest, in particular that of judicial independence, as exemplified by the readiness of Isaacs J to sit in judgment on legislation for which he previously had had carriage as Commonwealth Attorney-General. It is hard to believe that this would occur today,<sup>84</sup> but, as much as Isaacs attracted controversy throughout his career, it does not appear that he was criticised specifically in this regard. Things have changed, and Isaacs J was by no means the last former Commonwealth Attorney-General to be appointed to the High Court.<sup>85</sup>
5. The continuity and intimacy of relations between those involved in the foundation of the new Commonwealth. As noted above, both justices and counsel had been, or were still, participants in the broader political and legislative sphere, and there is no doubt that each saw himself as an active participant in the shaping of the new federal system. A fight over trade marks was only a small, but significant, part of that fledgling but emerging system of governance.

**84** One more recent instance is that of Dawson J who did not sit in *Hematite Petroleum Pty Ltd v Victoria* (1983) 151 CLR 599, because he had previously given advice to the Victorian government on the likely result of the matter in his capacity as Solicitor-General: see further the entry for 'Disqualification of Justices' in Blackshield et al, op. cit., p. 215.

**85** The other two examples are Sir John Latham in 1934 and Lionel Murphy in 1975. Neither of these ceased entirely to abandon their previous political positions in their subsequent judicial careers: see further their entries in the *Australian Dictionary of Biography*, online version, as well as in Blackshield et al, op. cit. HV Evatt was an instance of a former justice moving into politics and subsequent high office.



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**Author/s:**

RICKETSON, S.

**Title:**

The union label case: an early Australian IP story

**Date:**

2009

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